

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Kaloogian Analyst: Kristina North Bill Number: AB 122

Related Bills: See previous analysis Telephone: 845-6978 Amended Date: March 24, 1999

Attorney: Doug Bramhall Sponsor:

SUBJECT: School Sponsored Activity Fees Credit/FTB Report To Legislature Fiscal Impact

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

X AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

X DEPARTMENT POSITION CHANGED TO NEUTRAL.

X REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED 1/5/99 STILL APPLIES.

X OTHER - See comments below.

SUMMARY OF BILL

Under the Personal Income Tax Law and the Bank and Corporation Tax Law, this bill would authorize a credit to taxpayers equal to any fees paid, up to \$500, to a qualified school in the support of a school sponsored activity.

SUMMARY OF AMENDMENT

The March 24, 1999, amendment added private schools to the definition of qualified school and made a technical correction to the Revenue and Taxation Code section number being added (from 10753.59 to 17053.59). Except for these changes, the new revenue estimate and position update, the remainder of the department's analysis of the bill as introduced January 5, 1999, still applies.

Tax Revenue Estimate

Based on data and assumptions discussed below, revenue losses from this bill as amended March 24, 1999, are estimated to be as follows:

Estimated Revenue Impact of AB 122 Amended March 24, 1999 Assumed To Be Enacted After 6/30/99 (In \$Millions)			
Fiscal Years	1999/2000	2000/2001	2001/2002
T O T A L (Adjusted & Rounded)	(90)	(86)	(90)

The estimated revenue losses for the March 24, 1999, amendment increased by \$8 million annually from the estimate provided for the bill as introduced January 5, 1999, because the amendment added private schools to the definition of "qualified schools."

Board Position:

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 SA O NAR
 N OUA X PENDING

Department/Legislative Director Date

Johnnie Lou Rosas **4/1/1999**

Any possible changes in employment, personal income, or gross state product that might result from this bill are not taken into account.

Tax Revenue Discussion

The data and methodology used in the analysis of this bill as introduced January 5, 1999, still apply with the following modification. The original estimate was increased by the number of students enrolled in California nonprofit private schools in K-12 (approximately 600,000 during the 1997/1998 school year).

POSITION

Pending.

At its March 23, 1999, meeting, the Franchise Tax Board voted 2-0 to take a neutral position on this bill as introduced January 5, 1999.